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Mental Visual Imagery, Authenticity and Consumers' Attitude Formation Towards Licensed Brands

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Licensed brand refers broadly to any brands that are manufactured and marketed by someone other than the brand owner. In order for the licensed brand to be perceived as authentic, the cues for communicating authenticity are crucial between marketers and consumers. A person construes the cues via the formation of mental visual image before further deriving his/her perception about the authenticity of a licensed brand. This research examines different types of visual mental image, attributes and assessment of authenticity and consumers' attitude formation associated with licensed brand.

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EXTENDED ABSTRACT

Licensing is no longer viewed merely as technology transfer or modes of entry. Firms are now licensing assets in forms of brands, designs, trademarks and etc. Many researchers (e.g. Holt 2002; Kozinets 2002; Thompson et al. 2006) have noted that such commercialization undermines the value of the brands. However some examples suggest differently. Haier, China's largest home electronics manufacturer began its ascent by licensing refrigerator technology and the brand from German Liebherr Corp. in 1985 with the original brand name of "Liebherr". Sanyo Fashion House Inc., a subsidiary of Sanyo Shokai in Japan, is licensed to manufacture and distribute "blue label" Burberry products in Japan since 1980. Despite their licensee image, they have both generated strong domestic sales and built strong and positive awareness internationally.

In this paper, we ask the question "when and how licensed brands achieve the same or even higher value than original brands?" and we reason that consumers' assessment of authenticity may hold the key to this question. Most researchers agree that authenticity is not an attribute inherent in an object and is better understood and assessed by a particular evaluator in its particular context (Grayson and Martinec 2004). However, little research has studied the antecedents and consequences of authenticity. This is particularly relevant in brand licensing, as the cues for communicating authenticity of a licensed brand will help consumers' assessment of the value of the licensed brand, and these cues may or may not be related to the attributes of the original brands. Thus this research proposes that there exist multiple dimensions of authenticity as perceived by consumers in the context of brand licensing.

Next, we examine literature in mental visual imagery as one of the mental processes that consumers use to make sense of cues (Richardson, 1999). Assessment of authenticity involves a complex perceptual process (Belk and Costa 1998; Pen˜aloza 2001). A person construes the cues via the formation of mental visual image before further deriving his/her perception about the authenticity of a licensed brand. Finally, we examine consumers' attitude formation toward the licensed brands as consequences of their perception of authenticity.

Indexical and Iconic Authenticity

Grayson and Martinec (2004) identified two dimensions of authenticity based on the semiotic model developed by Peirce (1998): the *indexical authenticity* and *iconic authenticity*. Indexical authenticity refers to the physical or psychological link which distinguishes the "real thing" from its copies (Grayson and Shulman 2000). Iconic authenticity refers to the preexisting knowledge or expectations which a person perceives something being similar to something else (Grayson and Martinec 2004). In order for the licensed brand to be perceived as authentic, the cues for communicating authenticity are crucial, and this process of understanding and specifying these cues is called the negotiation of meaning (Grayson and Martinec, 2004).

Mental Visual Imagery

Past research (e.g. Adeyemo, 1990; Dahl and Chattopadhyay, 1999; MacInnis and Price, 1987) has shown that mental visual imagery is one of the mental processes which one uses to make sense of cues. Mental imagery is a form of internal representation in which information about the appearance of physical objects, events and scenes can be depicted and manipulated (Richardson 1999, P. 3). Research in marketing has distinguished different types of visual mental imagery: the image based on *memory* and *imagination* (Dahl and Chattopadhyay, 1999; MacInnis and Price 1987). These authors define memory image as the event or occasion that a person has personally experienced or observed whereas imagination imagery is a new, never-before-experienced event.

The Link between Authenticity and Mental Visual Imagery

Peirce (1998) explains that to view something as an icon, one usually creates a "composite photograph" (Grayson and Martinec 2004). For instance, to view something as iconically authentic, a perceiver must have some preexisting knowledge or expectations of something being similar to something else. Thus, memory imagery can be interpreted as the cue which links consumers preexisting knowledge toward the perception of iconic authenticity about the licensed brand. For example, when consumers encounter a licensed brand, they form image (i.e. original brand) from memory based on their existing knowledge or previous experience of the brand. Iconic authenticity may be achieved when cues are congruent with their memory. Therefore:

H1: Consumers' memory imagery is positively correlated with perceived iconic authenticity.

Imagination imagery involves the creation of previously unseen image and the capacity of imagination imagery determines one's ability to negotiate meaning out of novel information (Adeyemo 1990). To view something as an index, a perceiver must believe it actually has the "factual" and "spatio-temporal link" that is claimed (Grayson and Shulman 2000). Imagination imagery can be interpreted as acceptance of marketing communications from the licensee toward the perception of indexical authenticity by consumers. Therefore:

H2: Consumers' imagination imagery is positively correlated with perceived indexical authenticity.

H3: The more the licensed brand is perceived with iconic cues, the more licensed brand will be perceived as authentic.

H4: The more the licensed brand is perceived with indexical cues, the more licensed brand will be perceived as authentic.

Although both iconic and indexical cues are likely to encourage consumers to believe that a licensed brand is authentic, iconic cues are likely to be more powerful because consumers possess some preexisting knowledge about the licensed brand or perceive similarities with something they are familiar with. Therefore:

H5: Iconic authenticity has greater influence than indexical authenticity for consumers' assessment of authenticity.

Finally we examine whether assessment of authenticity will in turn influence consumers' attitude toward the licensed brand. Attitude towards a brand can be defined as consumer's overall brand evaluation (Aaker and Keller, 1990). Cognition is part of the belief formation and the salience of beliefs in turn form attitude (Ajzen, 2002). Assessment of authenticity is one type of cognitive associations assisting consumers to negotiate the meaning of brand licensing. Therefore:

H6: Perceived authenticity is positively correlated with consumers' attitude formation toward licensed brands.

Methods and Measures

There are three stages of data collection in this research: exploratory focus group studies, controlled experiments and survey. The focus group studies were completed. The purpose of the focus group studies is twofold. Firstly, we hoped to gain deeper understanding about how consumers perceive the connections among our three focal concepts and to develop a set of hypotheses. Secondly, it would help with the development of relevant measures to be used in the controlled experiments.

Exploratory Focus Group studies

The focus group interviews were carried out to ensure that the dimensionality of the concepts can be discovered as exhaustive as possible. Three focus group interviews were designed and conducted based on the guideline from Krueger (1994) and Yin (1984). Twenty-six informants (20 to 35 years of age) were recruited from both undergraduate and postgraduate students in a west midland university in the United Kingdom. Each focus group lasted around 60 minutes. The informants, 51% of which are female, have Chinese origin. These informants were recruited for the consistency with second stage of data collection in China.

The focus group results were content analyzed according to the guideline of Yin (1984). The preliminary results are the following:

- (a) 22 of our informants pointed out that brand licensing activities were well covered in the Chinese media and were aware of the amount of brand licensing activities in the Chinese market.
- (b) 20 of them stressed that authenticity was an important issue when facing licensed brands.
- (c) 21 informants agreed that when facing licensed brand, they drew inferences from both their past experiences (memory) and their assessment based on the actual licensed brand product they encountered (imagination).
- (d) Based on their past experience with the original brand, majority our informants indicated that quality, country of origin, and trademark were first to come through their mind.
- (e) The novelty of the licensed product, level of involvement of the brand owner, and the distribution channel of the product helped with their assessment of authenticity of the licensed brand.

The focus group results shown that, firstly, the distinction between the use of memory and imagination imagery is important to assess authenticity of licensed brands. Secondly, there exist different antecedents for the two dimensions of authenticity. Two 7-point authenticity measures were developed based on focus group findings:

- (a) Indexical authenticity in brand licensing: novelty, level of involvement of the brand owner, and perception about distribution.
- (b) Iconic authenticity in brand licensing: quality, country of origin, and trademark.

Control Experiments

To examine the use of different imagery types upon the perceptions of authenticity (H1 and H2), the two experimental factors (memory and imagination imagery) will be manipulated in a between subjects design. One hundred and fifty students participated in the study are to be Chinese –origin from an UK university. Chinese market is chosen because of its market size and rapid growth in licensing activities (LIMA 2005).

The independent Variables will be the visual mental imagery types which will be manipulated by instructing participants to rely on images based on either memory or imagination during the experiments. Experimental design will consist of a 2 (imagery type) x 2 (authenticity type) + 1 control mixed model. Imagery types are between-subjects variables, with subjects exposed to a set of either memory or imagination stimuli. In the memory imagery condition, participants will be given a booklet containing a brief description of memory imagery and information regarding the fictitious brand. Participants will be asked to "dig" into their memory and visualize similar brand and product in their daily life when filling out questionnaire on the perception of authenticity. In the imagination imagery condition, participants will be given a booklet containing a brief description of imagination imagery and the same information as in the memory condition regarding the fictitious brand. Participants will be asked to visualize the fictitious brand based on the information provided in the booklet when filling out questionnaire on the perception of authenticity. The measurements for manipulation check will be adopted from Dahl and Chattopadhyay's (1999) 7-point scale. Two 7-point authenticity measures were developed based on focus group findings:

(a) Indexical authenticity in brand licensing: novelty, level of involvement of the brand owner, and perception about distribution. (b) Iconic authenticity in brand licensing: quality, country of origin, and trademark. The dependent variable is attitude toward the licensed brand. To measure attitude toward licensed brand, we will adopt Kind and Smith's (2001) 7-point semantic differential scale.

Survey

To examine the effect of perceived authenticity on consumers' attitude formation (H3, H4, H5, and H6), a set of questionnaire will be administrated on-line. Real licensed brands instead of fictitious brands will be employed as subject of study. The original brands will

be selected based on Aaker and Keller's (1990) criteria for parent brand selection. Brands will be selected of being relevant to the subjects, generally perceived as high quality, able to elicit relatively specific associations. Specifically, the chosen brands should have not been largely licensed yet, so that it can avoid the impact of over-licensed situations (i.e. noise generated by multiple licensees). Also, the product category should be new for a given brand. A total of four brands from the same product category (to control for the effect of product heterogeneity on the results) will be selected and each of the two brands maintaining distinct indexical or iconic elements. The questionnaire will contain measures of perceived authenticity developed in control experimental study. To measure attitude toward licensed brand, we adopt the scale recommended by Kind and Smith (2001). All measurement items in this research will be using a 7-point semantic differential scale.

Concluding Remarks

This research intends to make three related contributions. Firstly, we attempt to develop measures for authenticity in brand licensing. Secondly, we will empirically test whether mental visual imagery influence consumers' perception of authenticity. Thirdly, we are to test which types of authenticity determines consumers' attitude formation of licensed brands.

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Ambivalence as an Inoculating Agent: A Built-In Defense Against Attitude Change

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Overview

The researchers conducted a multi-phase experiment to analyze the effect of initial attitude ambivalence on subsequent attitude change. Regression analyses revealed that subjects were less likely to change their attitude after reading new counter-attitudinal information when their initial attitudes were characterized by high levels of ambivalence ($\beta = -.154$; $p < .05$) indicating the presence of inoculation. These results suggest that ambivalence does not always lead to attitude change, and ambivalent consumer attitudes are actually more resistant to new, potentially biasing information.

Conceptual Background

An ambivalent attitude is an attitude fed by competing inputs that influence overall evaluation in opposite directions. Previous research on attitude ambivalence suggests that it is an aversive condition that people attempt to ameliorate (Lavine, Thomsen, Zanna and Borgida 1998, Nordgren, van Harreveld and van der Pligt 2006) and that it has a negative effect on customer satisfaction (Olsen, Wilcox and Olsson 2005). Indeed, most research on ambivalence has studied the effects of attitudinal ambivalence toward ego-involving socio-political issues, situations in which ambivalence is often aversive (Harreveld and van der Pligt 2006; Hass, Katz, Rizzo, Bailey and Moore 1992). However, in consumer contexts, it is not clear that ambivalence necessarily produces an aversive state. For example, people may possess positive beliefs about Gucci products, negative beliefs about Gucci users, and both positive and negative overall beliefs about the Gucci brand. Although this creates ambivalence about Gucci, many consumers will not have enough of a personal stake in Gucci for this ambivalence to produce cognitive discomfort. We argue that when ambivalence is not aversive, it may actually inoculate a person from change, by providing the consumer with enough data, positive or negative, to refute any presentation of counter-attitudinal information (McGuire, 1961).

One can characterize ambivalence as a self-generated two-sided argument, similar to the research on “inoculation” developed by McGuire (1961, 1985 and Watts and McGuire 1964). In an inoculation procedure, relatively weak content that refutes a held argument is presented and this causes the recipient to strengthen defensive arguments supporting his or her previous attitude. In turn, these new defensive arguments bolster the attitude against subsequent refutational content that is stronger than the initial material. This basic inoculation effect has been demonstrated in response to comparative advertising, especially when the subject is highly involved in the decision process (Pfau, Parrott and Lindquist 1992.) Previous research suggests that a two-sided argument is more likely to trigger the defenses of the recipient than a one-sided message (Hass and Linder 1972; Kamins and Asseal 1987; Burgoon and Pfau 1995). Instead of presenting an ambivalent argument, our subjects will be working with a pre-existing ambivalent attitude and we anticipate that this will work as a similar defense to attitude change.

Method

Participants evaluated six real brands in a multi-phase experiment. In the initial phase, brand attitude ambivalence was assessed and initial brand attitude was collected. Attitude ambivalence was collected using a Griffin measure and brand attitude was collected with an 11-point scale ranging from -5 to $+5$. In the final phase, participants read scenarios that presented new negative information about three of the brands and new positive information about the other three brands. The order of the scenarios, the valence of the scenarios and the order of the brands were fully counterbalanced.

After reading the scenario for each brand, participants responded to five measures, influence of the scenario, attitude change, purchase intention change, attitude toward the brand and purchase intentions.

Analysis and Results

Separate analyses were conducted for observations in which scenario information was consistent or inconsistent with the initial brand evaluation on the 11-point scale (-5 to $+5$). Scores from -5 to -1 were coded as negative, 1 to 5 were positive, and scores of zero (222 cases) were not used in the analysis.

To test the effect of inconsistent information on brand attitudes, regression analysis was used, with the influence of the scenario as the dependent variable. In addition to ambivalence, independent variables included dummy variables for the type of scenario and brand, individual difference measures including need for cognition, advertising skepticism, and need for attitude consistency.

When exposed to counter-attitudinal information, participants reported less attitude change when their initial attitude was characterized by greater levels of ambivalence ($\beta = -.154$, p -value = .013). This finding stands in contrast to prior research that has argued that an increase in the level of ambivalence would lead to a greater change in attitude.

Discussion

Ambivalence is a common occurrence among consumers. Often the best product experiences are attenuated by some flaw. This research suggests that we, as consumer, have accepted ambivalence and do not allow it to sway our opinions in a more univalent direction. By already possessing counter-factual knowledge, ambivalence creates an inoculation against any new information. Further research could review the effect of visceral brand identification (Apple Computers, Harley-Davidson) on consumer ambivalence.

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